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E.O. 11652: GDS

TAGS: PFOR, BE, OGEN

SUBJECT: ANNUAL POLICY ASSESSMENT: BELGIUM

REF: STATE 291794

INTRODUCTION:

1. IN APRIL, 1975 EMBASSY BRUSSELS SET FORTH, AT THE OUTSET OF ITS ANNUAL POLICY ASSESSMENT, WHAT IT JUDGED SECRET

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TO BE THE FUNDAMENTAL UNITED STATES INTERESTS AND

OBJECTIVES IN BELGIUM. OUR RELATIONS WITH BELGIUM ARE STABLE AND WELL TESTED BY TIME. LARGE EVENTS WOULD HAVE TO INTERVENE TO CHANGE THE ESSENTIAL CHARACTER OF OUR RELATIONSHIP. NO SUCH FATEFUL DEVELOPMENTS HAVE OCCURRED IN THE YEAR JUST PAST. NOR ARE THEY EXPECTED IN THE FUTURE. WE BEGIN OUR 1976 POLICY ASSESSMENT, THEREFORE, BY RESTATING AND REAFFIRMING WHAT WE ASSERTED IN 1975 TO BE THE ESSENTIALS OF BELGIAN AMERICAN RELATIONS:

- 2. BELGIUM IS A SMALL COUNTRY WHICH, BY VIRTUE OF ITS STRATEGIC LOCATION, ITS ACTIVE ROLE IN WESTERN EUROPEAN COUNCILS, AND ITS RESERVOIR OF COMPETENT OFFICIALS AND REPRESENTATIVES, EXERCISES INFULENCE OUT OF PROPORTION TO ITS SIZE ON THE COURSE OF EVENTS IN EUROPE. OVER THE PAST QUARTER CENTUARY BELGIUM'S PERFORMANCE IN INTERNATIONAL AFFAIRS HAS BEEN, ON BALANCE, CONSISTENT WITH U.S. FOREIGN POLICY OBJECTIVES. RELATIONS BETWEEN THE TWO COUNTRIES, BASED ON SIMILAR EXPERIENCE AND COMMON INTERESTS, HAVE TRADITIONALLY BEEN GOOD. THEY ARE GOOD TODAY. OUR BILATERAL RELATIONS ARE CURRENTLY FLAWED ONLY BY LIMITED AND MINOR IRRITANTS. COOPERATION HAS BEEN EXCEPTIAONALLY CLOSE ON MULTILATERAL ISSUES OF MAJOR IMPORTANCE.
- 3. SEEN IN A LONG PERSPECTIVE, THE PRIME OBJECTIVE
 OF AMERICAN FOREIGN POLICY IN BELGIUM IS TO PRESERVE
 OUR LARGE AND ADVANTAGEOUS PRESENCE IN THIS COUNTRY
 AND THE COOPERATIVE ATTITUDE OF ITS GOVERNMENT AND
 PEOPLE. SPECIFICALLY, WE SHOULD SEEK TO INSURE
 BELGIUM'S CONTINUED ADHERENCE TO THE COMMON DEFENSE OF
 THE WEST THROUGH NATO AND TO ITS COMMITMENT TO EUROPEAN
 INTEGRATION AND INTERNATINAL COOPERATION.
- 4. THE SPECIAL CHALLENGE FACING US IN THE MID-1970S
 IS TO EXERCISE OUR VERY SUBSTANTIAL INFULENCE IN THIS
 COUNTRY IN A MANNER HELPFUL TO OUR FRIENDS, DISCOURAGING
 TO OUR ADVERSARIES AND ACCEPTABLE TO BELGIANS AS A
 WHOLE. AN IMPORTANT CONSIDERATION IN THE FORMULATION
 OF OUR POLICIES AND IN OUR ACTIONS IS THAT WE BE
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CONSCIOUS OF BELGIUM'S INESCAPABLE NEED TO REMAIN ON GOOD TERMS WITH ITS EUROPEAN NEIGHBORS. APART FROM THEIR OBVIOUS MATERIAL DEPENDENCE ON LARGER NEIGHBORING COUNTRIES, BELGIANS ARE CONVINCED THAT THEY HAVE NO REASONABLE FUTURE EXCEPT AS A PART OF A EUROPEAN COMMUNITY. THEY BELIEVE, AS WE DO, THAT THIS NOTION IS CONSISTENT WITH A PARALLEL COMMITMENT TO A BROADER ATLANTIC RELATIONSHIP. BUT SITUATIONS ARISE WHEN IT

IS NOT SIMPLE FOR BELGIUM (OR OTHER WESTERN EUROPEAN COUNTRIES) TO RECONCIL THESE TWIN LOYALTIES.

5. THUS, WE SHOULD NOT LIGHTLY DRIVE BELGIUM INTO RENDING CHOICES BETWEEN EUROPEAN INTERESTS AND AMERICAN IMPORTUNITIES. WE SHOULD, ON THE CONTRARY, SO MANAGE OUR RELATIONS WITH THIS COUNTRY AND WITH EUROPE THAT BELGIUM MAY CONTINUE TO PLAY ITS CHOSEN ROLE OF CONCILIATOR AND BUFFER WHEN U.S. AND EUROPEAN INTERESTS TEND TO COLLIDE.

6. UNITED STATES POLICY, INSOFAR AS IT AFFECTS BELGIUM, HAS BEEN BROADLY IN ACCORD WITH THESE PRECEPTS DURING THE PAST YEAR. WE HAVE FALLEN INTO NO SERIOUSLY DIVISIVE CONFLICTS. AND WE HAVE EXTENDED A PATTERN OF COOPERATION - PARTICULARLY ON MATTERS DEALT WITH IN A MULTILATERAL CONTEXT - WHICH HAS BEEN OF ADVANTAGE TO US. IN THE YEAR AHEAD WE FORESEE NO DRASTIC CHANGES IN THE EXISTING SAFISFACTORY RELATIONSHIP. THE FOLLOWING IS OUR APPRAISAL OF THE CURRENT SITUATION IN BELGIUM AND OUR RECOMMENDATIONS ON HOW UNITED STATES INTERESTS MIGHT BEST BE PROMOTED IN THE YEAR AHEAD.

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THE POLITICAL OUTLOOK:

7. BARRING DEVELOPMENTS WHICH WOULD COME AS A MAJOR SHOCK TO GOVERNMENT AND OPPOSITION ALIKE, THE COALITION GOVERNMENT OF PRIME MINISTER TINEMANS WILL REMAIN IN OFFICE AT LEAST UNTIL AFTER THE NATIONWIDE COMMUNALL ELECTIONS IN OCTOBER. THE COALITION, EXCEEDINGLY RICKETY WHEN TINDEMANS COBBLED IT TOGETHER NEARLY TWO YEARS AGO, HAS DEMONSTRATED DURABILITY. ALTHOUGH HISTORY WILL RECORD THAT THE TINDEMANS GOVERNMENT SECRET

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PRESIDED UNHAPPILY OVER BELGIUM'S WORST RECESSION SINCE WORLD WAR II, BELGIANS HAVE BEEN REMARKABLY WILLING TO SPARE THEIR PERSONABLE FLEMISH PRIME MINISTER BLAME FOR THE COUNTRY'S ECONOMIC TROUBLES, OPINION POLLS HAVE SHOWN TINDEMANS' PERSONAL POPULARITY TO BE ON A STEADY RISE SINCE HE BECAME PRIME MINISTER. TINDEMANS' IMMUNITY IS DUE IN PART TO AN AGREEABLE MAN-OF-THE-PEOPLE IMAGE, IN PART TO SATISFACTION OF THE FLEMISH MAJORITY WITH THEIR "OWN"PRIME MINISTER AND IN PART TTO GENERAL ACCEPTANCE OF THE FACT THAT BELGIUM, WHICH LIVES BY TRADING ABROAD, CANNOT ALONE MASTER ITS ECONOMIC FATE. THE TINDEMANS ANTI-RECESSION POLICY HAS BEEN ESSENTIALLY ONE OF SMALL STEPS TO CUSHION THE WORST BUMPS OF THE ECONOMIIC DOWNTURN AND OF BORROWING A BIT AGAINST FUTURE WEALTH WHILE WAITING FOR BETTER TIMES TO COME. THE GOVERNMENT HAS BEEN CRITICIZED IN THE PAST YEAR AS DO-NOTHING AND INDECISIVE - POLITICAL CHARGES THAT HIT HOME. BUT NO TINDEMAFS CRITIC HAS COME UP WITH A PLAN OF ACTION WHICH CAUGHT THE IMAGINATION OF THE BELGIAN MASSES. THE CALL OF THE SOCIALIST PARTY. COMPLETING TWO DISAGREEABLE YEARS IN THE OPPOSITION, FOR A RADICAL RE-STRUCTURING OF BELGIUM'S ECONOMY AND SOCIETY HAS STRUCK NO FIRE. THE CUSHIONS OF UNEMPLOY-MENT BENEFITS AND WAGE INDEXATION HAVE SO FAR SHIELDED THE AVERAGE FAMILY FROM REAL HARDSHIP. THEY ARE LIKELY TO REMAIN GENERALLY EFFECTIVE - EVEN IN THE

WORST CASE - FOR SOME MONTHS AHEAD. HENCE, SPECIFIC STIMULI TO THOUGHTS OF RADICAL REFORM ARE WEAK. THE STRIKES, SIT-INS AND DEMONSTRATIONS OF THE PAST YEAR - MORE THAN NORMAL BUT NOT GENERALLY DAMAGING -HAVE BEEN OVERWHELMINGLY DIRECTED AT PRESERVING JOBS AND INCOME, NOT CHANGING THE SYSTEM.

8. THIS IS NOT TO SAY THAT THE PRESENT GOVERNMENT COULD TOLERATE HARD TIMES INDEFINITIELY. THE PRESENT POLITICAL ATMOSHPHERE IN BELGIM IS DETERMINED BY THE GENERAL EXPECTATION THAT 1976 WILL BE A BETTER YEAR THAN THE LAST. IF STAGNATION PERSISTS, BELGIAN VOTERS MAY SEND A MESSAGE TO BRUSSELS IN THEOCTOBER COMMUNAL BALLOTING. THE MESSAGE WOULD PRESUMABLY CONSIST OF A GENERAL SHIFT OF VOTES AWAY FROM THE COALITION PARTIES. SECRET

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IN SUCH AN EVENT IT IS UNLIKELY THAT TINDEMANS WOULD CEASE AT ONCE TO HEAD THE GOVERNMENT. HIS FIRST MOVE MIGHT WELL BE TO SEEK AGAIN TO BROADEN HIS CENTRIST, FLEMISH-DOMINATED GOVERNMENT. SHOULD THAT FAIL, NATIONAL ELECTIONS A YEAR OR MORE IN ADVANCE OF THE SCHEDULED MAY, 1978 BALLOTING MIGHT BE NEEDED TO RESOLVE A POLITICAL IMPASSE. IN THE LONGER PERSPECTIVE BELGIUM IS LIKELY TO RETURN TO A BROADLY BASED GOVERNMENT FOUNDED ON A SOCIALIST-CHRISTIAN PARTY PARTNERSHIP.

9. THE "LINGUSITIC QUESTION" BETWEEN BELGIUM'S DUTCH-SPEAKING MAJORITY AND FRAN COPHONE MINORITY REMAINS A VOLATILE ISSUE A POTENTIAL MENACE TO ANY GOVERNMENT. BUT THE INTENSITY OF EOMOTIONS HAS EASED IN THE 1970'S, AND THERE ARE INDICATIONS THAT AN ACCOMMODATION BETWEEN THE TWO COMMUNITIES IS SLOWLY IN THE MAKING.

10. THE LINGUISTIC ISSUE CAN BECOME INVOLVED IN DECISIONS ON INTERNATIONAL AFFAIRS, AS IN BELGIUM'S SELECTION OF A LIGHTWEIGHT FIGHTER AIRCRAFT IN 1975. BUT, NORMALLY, FOREIGN-POLICY ISSUES DO NOT FIGURE DECISIVELY IN BELGIUM'S DOMESTIC POLITICAL STRUGGLES.

11. BELGIAN POLITICIANS DISPUTE OVER TACTICAL DECISIONS BUT NONEBUT A FEW COMMUNISTS ARGUE THAT BELGIUM HAS VIABLE ALTERNATIVES TO ACTIVE PARTICIPATION IN THE EUROPEN COMMUNITIES, NATO AND THE COMMUNITY OF WESTERN INDUSTRIALIZED NATIONS LED BY THE UNITED STATES.

12. TINDEMENS, EC'S "WISE MAN" IN 1975, HAS ACQUIRED ENHANCED PRESTIGE AT HOME AND ABROAD. UNLESS MISFOR-

TUNE STRIKES HIM FROM ANS UNEXPECTED QUARTER, HE SEEMS DESTINED TO FIGURE PROMINENTLY ON THE INTERNATIONAL STAGE FOR A GOOD MANY YEARS TO COME. SINCE TINDEMANS AND HIS PRINCIPAL ADVISERS ON INTERNATIONAL QUESTIONS PROCEED FROM THE CONVICTION THAT EUROPE AND AMERICA SHOULD AND MUST STAND TOGETHER, BELGIUM'S IMPACT ON WORLD AFFAIRS IS, FROM THE U.S. POINT OF VIEW, ADVANTAGEOUS ANDLIKELY TO REMAIN SO.

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13. BELGIAN-AMERICAN COOPERATION IN THE MULTILATERAL SPHERE WILL BE DISCUSSED BELOW. OUR BILATERAL RELATIONS ARE UNMARKED BY SERIOUS POLITICAL DISCORD. OUR SUBSTANTIAL MILITARY PRESENCE IN BELGIUM REQUIRES TO PAY ATTENTIN TO PROBLEMS - MOST LOCALIZED -WHICH THAT PRESENCE GIVES RISE TO. IN THE FIELD OF NARCOTICS CONTROL, WE HAVE REACHED IN THE PAST YEAR A STAGE OF CONSTRUCTIVE COOPERATION WITH BELGIAN AUTORITIES. THE EMBASSY, IN ALL ITS COMPONENTS, ENCOUNTERS NO SIGNIFICAN IMPEDIMENTS IN ACQUIRIENG ACCURATE INFORMATION AND IN IMPRESSING AMERICAN VIEWS UPON THOSE WHO MAKE DECISIONS IN THIS COUNTRY.

14. WHILE THE EMBASSY REGULARLY OFFERS RECOMMENDATIONS ON THE HANDLING OF INDUVIDUAL ISSUES, WE HAVE NO BASIC CHANGES TO RECOMMEND IN THE MANAGEMENT OF OUR BILATERAL POLITICAL RELATIONS WITH BELGIUM.

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THE PSYCHOLOGICAL CLIMATE:

15. MOST BELGIANS CONTINUE TO HAVE HIGHREGARD FOR THE UNITED STATES AND TO RECOGNIZE THE DESIRABILITY AND NECESSITY OF MAINTAINING CLOSE TIES WITH US. THEY VIEW THEIR ALLIANCE AND CLOSE POLITICAL AND ECONOMIC RELATIONS WITH THE U.S. AS BEING IN HARMONY WITH THE MOVEMENT TOWARD EUROPEAN UNITY.

16. RECENT EVENTS, HOWEVER - PARTICULARLY WATERGATE, SECRET

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THE PULL-OUT IN VIET-NAM, DISCLOSURES REGARDING THE CIA, ANGOLA, CONTROVERSY OVER DETENTE, AND THE SELF-ASSERTIVENESS OF CONGRESS IN FOREIGN POLICY - HAVE CREATED SOME UNCERTAINTY AMONG BELGIANS ABOUT THE UNITED STATES' ABILITY TO CARRY OUT AN EFFECTIVE AND COHERENT POLICY AND ITS WILL TO MAKE AND MEET COMMITMENTS ABROAD. THE ISSUE SURFACED PUBLICLY WHEN DEFENSE MINISTER VANDEN BOEYNANTS WARNED THAT EUROPEANS SHOULD BECOME SELF-RELIANT FOR NUCLEAR DEFENSE AND NOT BE COMPLACENT ABOUT U.S. SUPPORT. VOICING WHAT THE EMBASSY CONSIDERS TO BE AWIDELY-HELD OPINION, TINDEMANS HIMSELF STATED PUBLICLY AGAINST THE BACKDROP OF THE ANGOLA SITUATIONHIS JUDGMENT THAT UNFORTUNATELY "THE U.S. DOES NOT POSSESS ANY MORE THE MORAL AND PRACTICAL LEADERSHIP IT ASSUMED A FEW YEARS AGO."

17. THE DOUBTS ENGENDERED AMONG OUR BELGIAN FRIENDS BY RECENT DEVELOPMENTS STILL FALL SHORT OF SOLIDIFYING INTO FIRM CONVICTIONS. BUT THEY DO INDICATE PERSISTING EROSION OF CONFIDENCE IN THE UNITED STATES - A CON-TEMPORARY PHENOMENON NOT CONFINED TO ONE COUNTRY OR ONE YEAR. WHILE WE CANNOT SPEED THE DEVELOPMENTS IN THE U.S. AND THE WORLD WHICH WILL ALLAY THESE FEARS, WE STRIVE TO PLACE PAST AND CURRENT EVENTS IN THEIR PROPER CONTEXT FOR THE BELGINAS. THUS WE CONTINUE TO UNDERSCORE THE IMPORTANCE OF EUROPE TO THE VITAL INTERESTS OF THE UNITED STATES AND SEEK TO DEMONSTRATE THE DYNAMISM AND VIABILITY OF THE AMERICAN SYSTEM, ITS ABILITY TO ENDURE CRISES AND CORRECT SHORTCOMINGS, AND ITS STEADFASTNESS AS AN ALLY. THESE ARE THEMES STRESSED IN EMBASSY CONTACTS WITH OFFICIALS AND OPINION LEADERS AND IN USIS PROGRAMMING. THE BICENTENNIAL YEAR AND THE FORTHCOMING ELECTIONS PROVIDE EXCEPTIONAL OPPORTUNITIES TO REVIEW THE STRENGTHS AND HISTORICAL DEVELOPMENT OF THE UNITED STATES AND TO STESS THE VITABITY OF AMERICAN INSTITUTIONS

18. THESE EFFORTS WILL NOT STILL OUR DETRACTORS, FOR WHOM THE EVENTS OF THE PAST FEW YEARS HAVE PROVIDED ABUNDANT MATERIAL FOR CRITICISM. OUR MOST WIDELY-HEARD CRITICS ARE THE YOUNGER, RADICAL LEFTISTS WELL ENSCONCED SECRET

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IN RADIO, AND TELEVISION (PARTICULARLY FRENCH-LANGUAGE). WE MAKE NO PRETENSE OF BEING ABLE TO REVERSE THEIR VIEWS OR ATTITUDES BUT HAVE UNDERTAKEN A SYSTEMATIC PROGRAM OF EXPANDED CONTACTS TO TRY TO REACH THEM WITH FACTS ABOUT THE UNITED STATES AND EXPOSE THEM TO OBJECTIVE CRITERIA FOR REPORTING AND COMMENTARY.

19. MANY BELGIANS NOW IN POSITIONS OF LEADERSHIP, STARTING WITH PRIME MINISTER TINDEMANS, HAVE BENEFITTED FROM PAST EMBASSY ATTENTION IN THE FORM OF SCHOLARSHIPS, IV GRANTS AND OTHER FORMS OF CONSTRUCTIVE CONTACT WITH AMERICA. BELGIUM IS LEAD - BROADLY SPEAKING - BY A PROAMERICAN GENERATION. THE U.S. SHOULD CONTINUE TO FIND THE RESOURCES TO MAINTAIN ITS EXCHANGE PROGRAMS AND LOCAL USIS ACTIVITIES AT A LEVEL SUFFICINET TO HAVE BENEFICIAL IMPACT UPON THE NEXT GENERATION.

THE ECONOMIC SCENE:

20. THE 1975 RECESSION HIT BELGIUM VERY HARD. REAL GNP DROPPED AN ESTIMATED TWO PERCENT ON AN ANNUAL BASIS. BY YEAR'S END, UNEMPLOYMENT AFFECTED 8.7 PERCENT OF THE PRIVATE SECTOR WORK FORCE, WHILE INFLATION AT AN ANNUAL

RATE OF 11 PERCENT EXCEEDED THE OECD AVERAGE.

- 21. CONCURRENT RECESSION AND INFLATION HAVE POSED DIFFICULT POLICY QUESTIONS FOR THE GOVERNMENT. BEING HEAVILY DEPENDENT ON FOREIGN MARKETS, BELGIUM'S HOPES FOR LASTING ECONOMIC REVIVAL DEPEND ON KEEPING PRICES EVEN WITH OR LOWER THAN THOSE OF ITS PRINCIPAL EUROPEAN COMPETITORS. BUT THE TINDEMANS GOVERNMENT HAS HAD ONLY SCANT SUCCESS, DUE TO BOTH ECONOMIC AND POLITICAL OBSTACLES, IN CONTROLLLING INFLATION.
- 2. THE RATE OF BELGIAN INFLATION WILL, THEREFORE, PROBABLY CHANGE LITTLE IN 1976. OTHERWISE, SIGNS OF ECONOMIC UPTURN ARE APPEARING, ALTHOUGH REAL GNP IS EXPECTED TO RISE ONLY ONE TO TWO PERCENT THIS YEAR. UNEMPLOYMENT IS LIKELY TO STAY NEAR CURRENT LEVELS THROUGH THE NEXT TWO OR THREE QUARTERS. EXTERNALLY, A SMALL BALANCE OF PAYMENTS DEFICIT IS POSSIBLE IN 1976. SECRET

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RESERVES SHOULD REMAIN ADEQUATE, HOWEVER, AND THE FRANC SHOULD BE SUSTAINABLE IN THE SNAKE.

- 23. THE EFFECTS OF LAST YEAR'S RECESSION AND THE UNCERTAIN ECONOMIC OUTLOOK FOR 1976 AND BEYOND WILL MEAN CONTINUING BELGIAN PREOCCUPATION WITH THE LONGTERM WORLD COMPETITIVENESS OF ITS INDUSTRY. FOREIGN INVESTORS, PARTICULARLY AMERICAN, ARE UNHAPPY WITH THE SHARP RISE IN INDUSTRIAL COSTS AND WITH THE TOVERNMENT'S INABILITY TO DO ANYTHING SO FAR TO COUNTER THE TREND.
- 24. CONCERNS ABOUT COMPETITIVENESS MAY ALSO LEAD TO INTENSIFIED PRESSURES ON THE GOVERNMENT TO GRANT SPECIAL EXPORT AIDS AND GREATER INDUCEMENTS TO INVESTMENTS. THERE COULD BE MORE SYMPATHY THAN IN THE PAST FOR PROTECTIONIST FORCES WITHIN THE EUROPEAN COMMUNITY. SUCH A TREND IN A TRADITIONALLY LIBERAL TRADING NATION SUCH AS BELGIUM AT THE GEOGRAPHIC AND POLITICAL HEART OF THE EC, COULD COMPLICATE OUR EFFORTS TO MOVE TOWARD FREER INTERNATIONAL TRADE AND INVESTMENT.

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THE MULTILATERAL SPHERE:

25. A MAJOR PART OF AMERICAN ACTIVITY IN BRUSSELS CONSISTS IN WORKING WITH THE BELGIAN GOVERNMENT ON MULTILATERAL MATTERS. BELGIUM IS DEEPLY COMMITTED TO ORGANIZED INTERNATIONAL COOPERATION. IT IS A CHARTER MEMBER OF NATO, EC, THE UN, IMF, IBRD, OECD, GATT AND MANYOTHER ORGANIZATIONS AND GROUPS OF A MORE SPECIALIZED NATURE. THE BELGIAN GOVERNMENT WORKED IN INTIMATE COOPERATION WITH THEU.S. IN THE FOUNDING OF THE INTERNATIONAL ENERGY AGENCY AND THE SECRET

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ORGANIZATION OF CIEC. IT HAS AT ITS DISPOSAL INDIVIDUALS OF EXCEPTIONAL ABILITY AND INTERNATIONAL STATURE INTHEIR

FIELDS.

26. THE LAST FEW YEARS HAVE SEEN A BROADENING OF OUR RANGE OF CONSULTATION AND COLLABORATION ON MULTILATERAL MATTERS. IN THE PAST YEAR BELGIAN REPRESENTATIVES HAVE WORKED FOR OBJECTIVES THAT WE SHARED IN THE EC-9 POLITICAL CONSULTATIONS, IN THE UN AND IN OTHER INTERNATIONAL FORA. BELGIUM HAS A RECORD OF TAKING THE "RIGHT" POSITION, BY OUR STANDARDS, ON INTERNATIONAL POLITICAL ISSUES.

27. BELGIUM REMAINS AN ACTIVIE PARTICIPANT IN INTER-NATIONAL ECONOMIC ORGANIZATIONS. AS A NATION DEPENDENT ON INTERNATIONAL COMMERCE, BELGIUM HAS A VITAL STAKE IN THE PROPER FUNCTIONING OF THE INTERNATIONAL TRADE AND MONETARY SYSTEMS. THE GOVERNMENT VIGOROUSLY SUPPORTS EFFORTS OF INDUSTRIALIZED COUNTRIES FIRST TO COORDINATE ON VITAL QUESTIONS SUCH AS ENERGY POLICY, AND THEN TO PARTICPATE IN DIALOGUE WITH THE LDCS. ON AN INCREASING RANGE OF IMPORTANT ISSUES, BELGIUM OPERATES TO A LARGE EXTENT THROUGH THE EUROPEAN COMMUNITY. WITHIN THE EC. BELGIUM HAS BEEN AN INFLUENCE FOR OPEN TRADING RELATIONSHIPS AND GENERALLY SYMPATHETIC ATTEN-TION TO USG POLICIES AND INITIATIVES. THE TINDEMANS "WISE MAN" REPORT OF JANUARY 1976 ON THE FUTURE OF EUROPE TAKES AS A BASIC POINT OF DEPARTURE THE NECESSITY FOR HARMONIOUS RELATIONS WITH THE U.S.

28. THERE ARE NONETHELESS SOME ISSUES WHERE THE BELGIAN VIEWPOINT DIFFERS FROM THAT OF OUR GOVERNMENT; COMMODITIES POLICY AND COMMERCIAL CIVIL AVIATION POLICY ARE EXAMPLES. IN THESE AREAS, WE WILL NEED EARLY SIGNALING AND WELL-REASONED JUSTIFICATION OF USG POSITIONS IF WE ARE TO MAKE AN IMPACT ON THE BELGIAN GOVERNMENT. EVEN THEN, BELGIAN POLTICAL AND ECONOMIC CONSIDERATIONS, PLUS THE BELGIANS' COMMITMENT TO COORDINATION WITH EUROPEAN PARTNERS, WILL SOMETIMES LEAD THEM TO ADVOCATE AND ACT UPON COURSES AT VARIANCE WITH OURS.

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29. WE SHALL ENCOUNTER THE SAME PHENOMENON AT TIMES WITH RESPECT TO QUESTIONS OF DEFENSE PRODUCTION.
BELGIUM STANDS AT THE FOREFRONT OF EUROPEAN NATIONS DESIROUS OF BUILDINGA UNITED EUROPE. RECENT SHIFTS IN WORLD POWER RELATIONSHIPS HAVE CONFIRMED BELGIANS IN THEIR CONVICTION THAT WESTERN EUROPE MUST ACHIEVE A GREATER DEGREE OF SELF-RELIANCE AND OF POLITICAL UNITY. BELGIUM WILL MEASURE SUCH CURRENT ISSUES AT NATO ARMS

STANDARDIZATION WITH A YARDSTICK SOMEWHAT DIFFERENT THAN OURS.

30. WE ARE CONFIDENT THAT SUCH DIFFERENCES AS ARISE BETWEEN US WILL NOT BRING FUNDAMENTALS INTO DISPUTE. ON THE CONTRARY, BELGIUM WILL REMAIN THROUGH 1976 AN ALLY WHICH READILY ACCEPTS THE FACT THAT ITS SURVIVAL AND PROSPERITY IS LINKED WITH OURS. WE CAN STRENGTHEN THAT ACCEPTANCE IF WE TAKE CARE IN OUR U.S. DECISIONMAKING PROCESSES TO KNOW AND TO GIVE DUE WEIGHT TO BELGIAN (AND EUROPEAN) INTERESTS.

RESOURCES:

31. THE EMBASSY JUDGES THAT THE LEVEL OF RESOURCES, HUMAN AND MATERIAL, NOW BEING PROVIDED IT ARE ADEUQATE TO EXECUTE THE RESPONSIBILITIES LAID UPON THE MISSION AND TO MAKE REALISTIC PROGRESS TOWARD THE GOALS HERETOFORE SET FORTH. RENNER

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